

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1506005-000

Total Deleted Page(s) = 7

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(12/31/1995)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 09/27/1999

To: CID

Attn: Corruption/Civil
Rights Section,
Public Corruption Unit

From: New York

C-14 Public Corruption

Contact: [REDACTED] 212-384-3792

Approved By: [REDACTED]

Drafted By: [REDACTED]

Case ID #: 194C-NY-265503

Title: UNSUB(S);
PHILIP CARUSO, FORMER PRESIDENT,
NEW YORK CITY POLICEMEN'S
BENEVOLENT ASSOCIATION (NYCPBA);
[REDACTED] NYCPBA;
CORRUPTION OF STATE AND LOCAL
PUBLIC OFFICIALS - LAW ENFORCEMENT
OO:NY

Synopsis: Request to close captioned matter.

Enclosures: Enclosed for Criminal Investigative Division(CID),
Corruption/Civil Rights Unit, are two copies of the self
explanatory closing Letterhead Memorandum(LHM).

Details: See enclosures.

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FILE STRIPPED
BY [REDACTED] ON 12/7/00

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WITH/TEXT _____
WITH/OUT TEXT _____
BY [REDACTED]
DATE [REDACTED] 12/7/00

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CLOSE ON THIS 10/2/00

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194C-NY-265503-7

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FBI - NEW YORK	

(12/31/1995)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 02/06/1998

To: New York

Attn: SAC, Division II

From: New York

Squad C-14, Public Corruption

Contact: [REDACTED] 212-384-3792

Approved By [REDACTED]

Drafted By: [REDACTED]

Case ID #: 194C-NY-NEW

Title: UNSUB(S);

PHILIP CARUSO;
FORMER PRESIDENT, NEW YORK CITY
POLICEMEN'S BENEVOLENT ASSOCIATION (NYCPBA);

[REDACTED] NYCPBA;

CORRUPTION OF STATE AND LOCAL
PUBLIC OFFICIALS - LAW ENFORCEMENT
OO:NY

Synopsis: Request to open a Full Investigation on the above captioned subjects.

Details: In accordance with the policy regarding public corruption investigations, the authority of the SAC, Division II, is requested to open a full investigation.

This matter is a spin off of 194C-NY-247141. In that investigation, [REDACTED] of the Benevolent Association of the New York City Transit Police (TPBA) was convicted of accepting bribes from [REDACTED] the law firm on [REDACTED] and [REDACTED] (LLK) in exchange for legal contracts. [REDACTED] and [REDACTED] were also convicted of bribery. Additionally, [REDACTED] was convicted in the above matter. [REDACTED] with LLK in 1989 after [REDACTED] and later became the [REDACTED] for both the TPBA and the New York City Policemen's Benevolent Association (PBA).

Philip Caruso retired as president of the PBA in 1995. At that time, the three New York City police unions, (Patrolmen, Housing and Transit) merged into the PBA, creating a collective force of more than 30,000 officers. [REDACTED]

[REDACTED] of the PBA after Caruso retired. Both Caruso and [REDACTED] were New York City Police Department (NYPD) Officers.

Upon becoming members of the PBA board, Caruso and [REDACTED] were released from their daily duties as patrolmen in order to allow

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DO NOT DESTROY - PENDING LITIGATION

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them to work full time as union representatives.

A review of records in the above matter revealed that Caruso began receiving \$200,000 annually from LLK for "consulting services" shortly after his retirement from the PBA. A Federal Grand Jury (FGJ) subpoena, Duces Tecum, SDNY, [redacted]

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[redacted] The Government was notified by the attorneys representing [redacted] served with a FGJ subpoena, SDNY, [redacted]

Interviews conducted by the NYO during the investigation also revealed that [redacted] the former [redacted] to Caruso and [redacted] left the PBA in 1996 because [redacted] The interviews revealed that [redacted] entered into an agreement with the PBA and LLK, whereby she was given a consulting contract with LLK and a \$40,000 payout from PBA funds. Records obtained from [redacted] revealed that the consulting agreement was drawn to compensate her for the salary she would have earned had she remained an [redacted] and the lump sum payout was to cover the legal fees incurred negotiating the settlement. The consulting agreement is in effect through the year 2000, and states specifically that [redacted] does not have to actually perform any work for LLK. Caruso was responsible for initiating the negotiations with LLK after [redacted] informed him of the [redacted] [redacted] A review of telephone records indicates that [redacted] was probably involved in the settlement negotiations as well.

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Assistant United States Attorney [redacted] United States Attorney's Office, SDNY, advised that she would commit to a prosecution in violation of Title 18, United States Code, Sections, 371, and 1343, if corroborative evidence is developed to substantiate the allegations.

This is not a high impact investigation involving a present or former high ranking public official and is not highlighted by national media requiring an immediate communication to FBIHQ.

A separate Electronic Communication(EC), and a self-explanatory Letterhead Memorandum(LHM), will be forwarded to FBIHQ, Criminal Investigative Division, Corruption/Civil Rights Section, Public Corruption Unit, within ten(10) working days, that outlines the facts of this matter, the United States Attorney's prosecutive opinion, and the violations of Federal statutes.

SSA APPROVAL



2/17/98

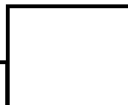
SAC APPROVAL:

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20 Mar 98

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U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

26 Federal Plaza
New York, New York 10278
February 26, 1998

UNSUB(S);
PHILIP CARUSO,
FORMER PRESIDENT, NEW YORK CITY
POLICEMEN'S BENEVOLENT ASSOCIATION (NYCPBA);
[REDACTED]
[REDACTED] NYCPBA;
CORRUPTION OF STATE AND LOCAL
PUBLIC OFFICIALS - LAW ENFORCEMENT
00:NY

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This matter was predicated upon information obtained during the course of the investigation of [REDACTED] of the Benevolent Association of the New York City Transit Police (TPBA) who was convicted of accepting bribes from [REDACTED] of the law firm of [REDACTED] (LLK), in exchange for legal contracts. [REDACTED] and [REDACTED] were also convicted of bribery. Additionally, [REDACTED] was convicted in the above matter. [REDACTED] was the [REDACTED] for both the TPBA, and the NYCPBA. [REDACTED] in 1989, and [REDACTED] into LLK that same year.

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Philip Caruso retired as president of the PBA in 1995. At that time, the three New York City police unions, (Patrolmen, Transit, and Housing) merged into the PBA, creating a collective force of more than 30,000 officers. [REDACTED] of the NYCPBA after Caruso retired.

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Both Caruso and [REDACTED] were New York City Police Department (NYPD) officers. Caruso and [REDACTED] were released from their daily duties as patrolmen upon becoming members of the PBA board in order to allow them to work full time as union representatives.

A review of records in the above matter revealed that Caruso began receiving \$200,000 annually from LLK for "consulting services" shortly after his retirement from the PBA. [REDACTED]

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The government was notified by the [REDACTED]

DO NOT DESTROY - PENDING LITIGATION

attorneys representing [redacted]
[redacted]

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Interviews conducted by the New York Office during the investigation also revealed that [redacted] the former [redacted] to Caruso and [redacted] left the NYCPBA in 1996 because [redacted]. The interviews revealed that [redacted] entered into an agreement with the NYCPBA and LLK, whereby she was given a consulting contract with LLK and a \$40,000 payout from PBA funds. Records obtained from [redacted] revealed that the consulting agreement was drawn to compensate her for the salary she would have earned had she remained an [redacted] and the lump sum payout was to cover the legal fees she incurred negotiating the settlement. The consulting agreement is in effect through the year 2000, and states specifically that [redacted] does not have to actually perform any work for LLK. Caruso was responsible for initiating the negotiations with LLK after [redacted] informed him of the [redacted]. [redacted] A review of telephone records indicates that [redacted] was probably involved in the settlement negotiations as well.

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Assistant United States Attorney, [redacted] United States Attorney's Office, SDNY, concurred that an investigation be conducted regarding the circumstances of: (1) Caruso's consulting contract; (2) the \$40,000 payout to [redacted]; and (3) the consulting agreement between [redacted] and LLK. [redacted] expressed her commitment to prosecute this matter under Title 18, United States Codes 371 and 201 if it can be demonstrated that a public official misused his/her official position in connection with the above circumstances, in exchange for receipt of something of value.

(12/31/1995)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 02/27/1998

To: Criminal Investigative

Attn: Corruption/Civil
Rights Section,
Public Corruption Unit

From: New York

C-14 Public Corruption

Contact: [REDACTED]

212-384-3792

Approved [REDACTED]

Drafted By: [REDACTED]

Case ID #: 194C-NY-265503

Title: UNSUB(S);
PHILIP CARUSO, FORMER PRESIDENT,
NEW YORK CITY POLICEMEN'S
BENEVOLENT ASSOCIATION (NYCPBA);
[REDACTED] NYCPBA;
CORRUPTION OF STATE AND LOCAL
PUBLIC OFFICIALS - LAW ENFORCEMENT
OO:NY

Synopsis: Enclosed for FBIHQ, Criminal Investigative
Division(CID), is the Letterhead Memorandum(LHM) for the above
captioned matter.

Enclosures: For CID, one copy of the LHM for the above captioned
matter.

Details: None.

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194C-NY-265503

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WITH/TEXT [REDACTED]

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BY [REDACTED]

DATE 3 Mar 98

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/1/98

[redacted] date of birth, [redacted] residing at [redacted]
[redacted] was interviewed at the
offices of the United States Attorney, Southern District of New
York (SDNY), One, St. Andrew's Plaza, New York, New York. Present
at the interview were Special Agent [redacted] Federal
Bureau of Investigation (FBI), Assistant United States Attorneys
[redacted] and [redacted], SDNY, and [redacted] attorney,
[redacted] of Howard, Darby, and Levin, telephone number
[redacted] was advised of the identities of the
interviewers and the nature of the interview. [redacted] provided the
following information:

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b7CInvestigation on 11/16/98 at New York, New YorkFile # 194C-NY-265503-4 Date dictated _____by SA [redacted]b6
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BY ☐
DATE 2/17/99

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FBI - NEW YORK	

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/14/98

[redacted] date of birth, residing at [redacted]
[redacted] was interviewed at the offices of the
Federal Bureau of Investigation (FBI), 26 Federal Plaza, New York,
New York. Present at the interview were Special Agent [redacted]
[redacted] of the FBI and [redacted] attorney for [redacted]
[redacted] was advised of the identity of the interviewing agent and
the nature of the interview. [redacted] provided the following
information:

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[redacted] advised that on 11/23/98, she received a call at home
from an unidentified number. [redacted] advised that the number was
[redacted]

[redacted] also advised that the check she received from [redacted]
and [redacted] came from [redacted]

[redacted] advised that Phil Caruso had [redacted] sit in on
important meetings early on, (prior to Caruso's retirement), so
that [redacted] could familiarize himself with the position.

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[redacted] advised that Caruso wrote all his memos by hand and
usually kept the corrected copy. [redacted] stated that the copies
were actually maintained [redacted] in a file behind [redacted] in
the PBA office. [redacted] added that Caruso was a "big writer", and
frequently corresponded with other individuals and agencies.
[redacted] stated that [redacted] was not a "big writer."

[redacted] advised that she received paged by [redacted] very
close to the time she left the PBA. [redacted] stated that [redacted] was
a PBA [redacted] with Caruso, and very good friends with [redacted]
[redacted] stated that she thought that [redacted] got her beeper number
from [redacted] [redacted] stated that she was not sure if
[redacted] would have given her beeper number to [redacted]

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Investigation on 11/23/98 at New York, New York

File # 194C-NY-265503/194C-NY-265504-6 Date dictated _____

by SA [redacted]

194C-NY-265503/194C-NY-265504

Continuation of FD-302 of [REDACTED]

, On 11/23/98

, Page

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[REDACTED] advised that [REDACTED] was a friend of [REDACTED]
[REDACTED] and that [REDACTED] for the PBA.

[REDACTED] advised that [REDACTED] who was a
friend of [REDACTED] stated that [REDACTED]
[REDACTED] for the PBA. [REDACTED] added that at some point
Caruso stopped using [REDACTED] but she did not know why. [REDACTED]
stated that [REDACTED] also provided [REDACTED] for the PBA, and
that he used an out-of-state vendor to actually do the [REDACTED] job
for him. [REDACTED] added that [REDACTED] also made the PBA [REDACTED] which
[REDACTED] at the PBA office. [REDACTED] also recalled that [REDACTED]
[REDACTED] worked for [REDACTED] and thought that maybe [REDACTED]
referred [REDACTED] to the PBA.

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DATE 2/17/99

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BY [redacted]
DATE 12/7/00

194C-NY-265503 - [redacted] b6 b7C

SEARCHED	[redacted]	INDEXED	[redacted]
SERIALIZED	[redacted]	FILED	[redacted]

SEP 27 2000
FBI — NEW YORK
[redacted]

U.S. Department of Justice



Federal Bureau of Investigation

In Reply, Please Refer to
File No.

26 Federal Plaza
New York, New York 10278
September 27, 2000

UNSUB(S);
PHILIP CARUSO,
FORMER PRESIDENT, NEW YORK CITY
POLICEMEN'S BENEVOLENT ASSOCIATION (NYCPBA);
[REDACTED]
[REDACTED] NYCPBA;
CORRUPTION OF STATE AND LOCAL
PUBLIC OFFICIALS - LAW ENFORCEMENT
00:NY

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This matter was predicated upon information obtained during the course of the investigation of [REDACTED] of the Benevolent Association of the New York City Transit Police (TPBA) who was convicted of accepting bribes from [REDACTED] of the law firm of [REDACTED] (LLK), in exchange for legal contracts. [REDACTED] and [REDACTED] were also convicted of bribery. Additionally, [REDACTED] was convicted in the above matter. [REDACTED] was the [REDACTED] for both the TPBA, and the NYCPBA. [REDACTED] in 1989, and [REDACTED] into LLK that same year.

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Philip Caruso retired as president of the PBA in 1995. At that time, the three New York City police unions, (Patrolmen, Transit, and Housing) merged into the PBA, creating a collective force of more than 30,000 officers. [REDACTED] of the NYCPBA after Caruso retired.

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Both Caruso and [REDACTED] were New York City Police Department (NYPD) officers. Caruso and [REDACTED] were released from their daily duties as patrolmen upon becoming members of the PBA board in order to allow them to work full time as union representatives.

A review of records in the above matter revealed that Caruso began receiving \$200,000 annually from LLK for "consulting services" shortly after his retirement from the PBA. [REDACTED]

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[REDACTED]
[REDACTED] The government was notified by the

attorneys representing [REDACTED]
[REDACTED]

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Interviews conducted by the New York Office during the investigation also revealed that [REDACTED] the former [REDACTED] to Caruso and [REDACTED] left the NYCPBA in 1996 because [REDACTED]. The interviews revealed that [REDACTED] entered into an agreement with the NYCPBA and LLK, whereby she was given a consulting contract with LLK and a \$40,000 payout from PBA funds. Records obtained from [REDACTED] revealed that the consulting agreement was drawn to compensate her for the salary she would have earned had she remained an [REDACTED] and the lump sum payout was to cover the legal fees she incurred negotiating the settlement. The consulting agreement is in effect through the year 2000, and states specifically that [REDACTED] does not have to actually perform any work for LLK. Caruso was responsible for initiating the negotiations with LLK after [REDACTED] informed him of the [REDACTED]. A review of telephone records indicates that [REDACTED] was probably involved in the settlement negotiations as well.

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While the investigation revealed evidence of the Caruso consulting payment, no quid pro quo was found. No other corroborative documents or testimony was uncovered to substantiate that the consulting contract was in exchange for the bribes to LLK. The [REDACTED] matter is currently being pursued in civil court, and due to the sensitive nature of the [REDACTED] allegations, the SDNY agreed to delay further investigation and/or prosecution until [REDACTED] had resolved the civil matter.

In September 1999, AUSA [REDACTED], Chief of the Public Corruption Unit, SDNY, advised that his office is declining further prosecution of this matter in as much as logical investigation has not produced substantiation of the predicate information.

194C-NY-245503

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FEB 24 1998	
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